

<i>SERFF Tracking Number:</i>	<i>AFDL-126616306</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Fidelity Assurance Company</i>	<i>State Tracking Number:</i>	<i>45813</i>
<i>Company Tracking Number:</i>	<i>SB-14216-0410</i>		
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.001 Qualified</i>
<i>Product Name:</i>	<i>Long Term Care Insurance</i>		
<i>Project Name/Number:</i>	<i>Long Term Care Insurance/SB-14216-0410</i>		

## Filing at a Glance

Company: American Fidelity Assurance Company

Product Name: Long Term Care Insurance	SERFF Tr Num: AFDL-126616306	State: Arkansas
TOI: LTC03I Individual Long Term Care	SERFF Status: Closed-Filed	State Tr Num: 45813
Sub-TOI: LTC03I.001 Qualified	Co Tr Num: SB-14216-0410	State Status: Closed
Filing Type: Advertisement		Reviewer(s): Marie Bennett, Harris Shearer
	Authors: Ellen Woods, Pamela Kemper, Brandi Thomason, Jill Francis, Teresa Davis	Disposition Date: 06/21/2010
	Date Submitted: 05/27/2010	Disposition Status: Filed
Implementation Date Requested: On Approval		Implementation Date:

State Filing Description:

## General Information

Project Name: Long Term Care Insurance	Status of Filing in Domicile: Authorized
Project Number: SB-14216-0410	Date Approved in Domicile: 05/12/2010
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact:	Group Market Type:
Filing Status Changed: 06/21/2010	Explanation for Other Group Market Type:
	State Status Changed: 06/21/2010
Deemer Date:	Created By: Pamela Kemper
Submitted By: Pamela Kemper	Corresponding Filing Tracking Number: SB-14216-0410

Filing Description:

Enclosed for submission is an advertising brochure developed for marketing our QLTC-02 AFA, Long Term Care insurance policy. This policy was approved by your department on 05-20-03.

This advertising brochure will replace the previously approved version. Our primary market is educational employees. The company also provides Section 125 services for school districts. It will be marketed by our captive account representatives and licensed appointed brokers.

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Brackets have been placed around blocks of text to denote variability. The text within these blocks will appear or not appear on the final printed document. We will update the statistics and The Company Behind Your Plan on a timely basis. Should our home office address and phone number change, we will adjust accordingly. All other text will remain static.

I hereby certify that to the best of my knowledge the advertising brochure submitted herewith are in compliance in all respects with the provisions of the insurance laws, rules and regulations of your state and such forms contain no provisions previously disapproved by the Department.

## Company and Contact

### Filing Contact Information

Pam Kemper, Compliance Analyst I pamela.kemper@af-group.com  
 2000 Classen Blvd 800-654-8489 [Phone] 5197 [Ext]  
 Oklahoma City, OK 73106 405-523-5793 [FAX]

### Filing Company Information

American Fidelity Assurance Company CoCode: 60410 State of Domicile: Oklahoma  
 2000 North Classen Blvd Group Code: Company Type: LAH  
 Oklahoma City, OK 73106 Group Name: State ID Number:  
 (405) 523-2000 ext. [Phone] FEIN Number: 73-0714500

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$25.00  
 Retaliatory? Yes  
 Fee Explanation: \$25.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Fidelity Assurance Company	\$25.00	05/27/2010	36870184
American Fidelity Assurance Company	\$50.00	06/04/2010	37002808

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	06/21/2010	06/21/2010

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Filing Fee	Pamela Kemper	06/11/2010	06/11/2010

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Filing Fees	Note To Reviewer	Pamela Kemper	06/04/2010	06/04/2010
FILING FEES	Note To Filer	Marie Bennett	06/04/2010	06/04/2010

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## Disposition

Disposition Date: 06/21/2010

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Filing Fee		Yes
<b>Form</b>	Long Term Care Insurance		Yes

*SERFF Tracking Number:*      *AFDL-126616306*      *State:*      *Arkansas*  
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*Project Name/Number:*      *Long Term Care Insurance/SB-14216-0410*

**Amendment Letter**

Submitted Date:      06/11/2010

**Comments:**

see filing fee

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: Filing Fee**

Comment: Filing fee attached through filing fee tab as required.

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**Note To Reviewer**

**Created By:**

Pamela Kemper on 06/04/2010 10:15 AM

**Last Edited By:**

Marie Bennett

**Submitted On:**

06/21/2010 02:00 PM

**Subject:**

Filing Fees

**Comments:**

Attached are additional filing fees.

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*Project Name/Number:*      *Long Term Care Insurance/SB-14216-0410*

**Note To Filer**

**Created By:**

Marie Bennett on 06/04/2010 09:05 AM

**Last Edited By:**

Marie Bennett

**Submitted On:**

06/21/2010 02:00 PM

**Subject:**

FILING FEES

**Comments:**

EFFECTIVE 1/1/10. AR RULE 57, SEC 5, SSEC 11, REQUIRES A FILING FEE OF \$50.00 PER ADVERTISEMENT AND/OR FORM. THE FILING WILL BE HELD PENDING THE RECEIPT OF \$75.00.



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## Form Schedule

Lead Form Number: SB-14216-0410

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	SB-14216-0410	Advertising	Long Term Care Insurance	Initial			SB-14216(IN)-0410.pdf SB-14216(IN)-0410_Bracketed.pdf



AMERICAN FIDELITY  
ASSURANCE COMPANY'S

# *Long Term Care* Insurance



Life on *Your* Terms

# Life on *Your* Terms

## What is Long Term Care?

Long Term Care insurance helps protect your financial independence should you ever be faced with a debilitating accident or develop a degenerative condition (stroke, Parkinson's Disease, etc.), a prolonged illness (cancer, lupus, etc.), or a cognitive disorder (Alzheimer's).

Long Term Care services provide support and individual assistance with the activities of daily living or supervision of someone who is cognitively impaired. The care can be provided in various settings including your own home, adult day care, assisted living facilities, nursing homes, or hospice care.

## Why Do You Need Long Term Care?

Medicare, Medicare Supplement insurance, and the health insurance you may have at work usually will not pay for long term care.<sup>1</sup> The average cost of a private nursing home room in 2008 was \$204 a day, or \$74,460 annually,<sup>2</sup> it is probably beyond the ability of most families to provide for this type of care out of their own pockets.

### HOW WILL YOU PAY WHEN YOU NEED LONG TERM CARE?

- Nearly 1 out of every 5 people provides unpaid care for family or friends age 18 or over.<sup>3</sup>
- 92% of caregivers report making work-related adjustments, including going in late, leaving early, or giving it up entirely.<sup>3</sup>

American Fidelity Assurance Company's Long Term Care Plan can help reduce financial strains associated with Long Term Care.

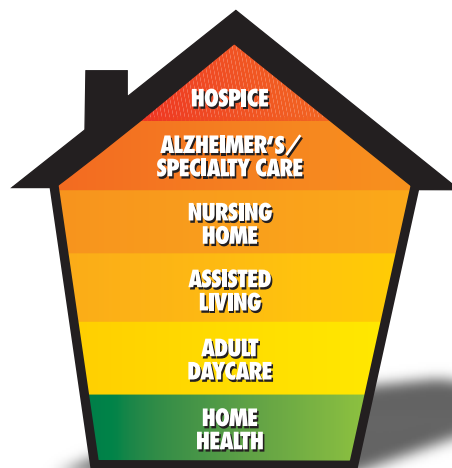
## Housing All Your Options

Just as every house needs a strong foundation in order to ensure safe and pleasurable living, American Fidelity's Long Term Care Plan provides a basis of Home Health support, plus several alternatives allowing for optimal flexibility.

Long Term Care benefits available include:

- **Home Health Care** that allows support at home from a Home Health Care Agency or a Licensed Health Care Practitioner in your home.
- **Adult Day Care** that allows you to remain at home yet attend a community facility to receive care as needed.
- **Assisted Living Facilities** that provide appropriate support while you maintain independence with control over day-to-day activities.
- **Nursing Home Care** that gives you 24-hour assistance, including a specialty care facility or Alzheimer's facility.
- **Hospice Care** that supplies needed attention during the final months to the terminally ill at home or in a Nursing Home Facility.

American Fidelity's Long Term Care Plan is designed to assist with different levels of care needed to face a Long Term Care event and since you own this policy, you can take it with you when you leave employment.



<sup>1</sup> National Association of Insurance Commissioners, *A Shopper's Guide to Long Term Care Insurance*, pg. 4, 2008

<sup>2</sup> LOMA Resource; *Forecast 2009*; January 2009

<sup>3</sup> AARP Public Policy Institute, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving Research Report*, 2007

# Summary of *Benefits*

## HOME HEALTH AND COMMUNITY CARE BENEFIT

We pay actual charges up to 20 times the Maximum Daily Benefit Amount per month for each month that services are provided by a Home Health Care Agency, a Licensed Health Care Practitioner in your home, and/or a community-based Adult Day Care Facility. **No elimination period applies to Home Health and Community Care Benefits.**

**For example:** Here is the maximum monthly benefit assuming a \$150 daily benefit amount.

DAILY BENEFIT AMOUNT		BENEFIT MULTIPLIER		MAXIMUM MONTHLY BENEFIT
\$150	X	20	=	\$3000

**Your benefit period will effectively be extended if your daily charges are less than your daily benefit.**

This money can even be used to provide assistance for:

- Activities of Daily Living such as bathing, eating, and dressing
- Medical Attention, including assistance with medication, IV's, and bandaging
- Homemaker/Companion Services like shopping, paying bills, and laundry

## LONG TERM FACILITY BENEFIT

For those requiring confinement in a Nursing Home Facility, Assisted Living Facility, Hospice Facility, Alzheimer's Facility, or Residential Care Facility, once the Elimination Period has been met, we pay actual charges up to the Maximum Daily Benefit Amount.

## CARE COORDINATION BENEFIT

When a Long Term Care event occurs, most people don't know where to start. By utilizing the optional care coordinator feature of this plan, you will have a valuable resource to assist you with designing a plan of care. You and your family will be assigned, at no cost to you, a health care professional qualified in assessing and coordinating your medical, personal, and social services. This allows you to make the best use of benefit dollars.

The Care Coordinator becomes a source for the latest treatment options, alternative care options, help with establishing a Plan of Care, and monitoring your quality of care. The Care Coordinator may approve additional services including:

- Benefits for services such as:
  - Home Modifications
  - Durable Medical Equipment
  - Other Services or Devices to meet Special Needs

Benefits paid will be up to a lifetime maximum of 100 times your Maximum Daily Benefit Amount.

- Homemaker/Companion services provided by family members (other than a spouse or a person living in your home).

## CAREGIVER TRAINING BENEFIT

We pay up to a lifetime maximum of \$500 for expenses incurred to furnish training for a family member on the methods necessary to provide care for you in your home. This benefit is not subject to the Elimination Period.



## BED RESERVATION BENEFIT

We pay actual charges up to the Maximum Daily Benefit Amount at a Long Term Care Facility to reserve your room should you require temporary hospitalization. Benefits will also be paid for up to seven days per absence if you wish to leave the facility to visit family. You receive up to 30 days of Bed Reservation Benefits per calendar year. The Elimination Period must be met before benefits will be available.

## RESPIRE CARE BENEFIT

We pay actual charges up to the Maximum Daily Benefit Amount for up to 21 days per calendar year to temporarily relieve an unpaid person providing you with care in your home. This benefit is not subject to the Elimination Period.

# Your Benefits, *Your Choices*

You preserve your future by making important decisions to tailor your plan to serve your needs. We offer a variety of options to meet those needs.

INDIVIDUAL SAMPLE PLAN OPTIONS				
AGE	BASE POLICY	BASIC	ENHANCED	ENHANCED PLUS
45	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$23.99</b>	<b>\$38.97</b>	<b>\$58.46</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$17.99</b>	<b>\$29.23</b>	<b>\$43.85</b>
50	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$25.29</b>	<b>\$41.04</b>	<b>\$61.56</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$18.97</b>	<b>\$30.78</b>	<b>\$46.17</b>
55	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$43.96</b>	<b>\$72.45</b>	<b>\$108.68</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$32.97</b>	<b>\$54.34</b>	<b>\$81.51</b>

There is no Elimination Period (0-day) that applies to Home Health and Community Care (HHC) Benefits. There is a 90-day Elimination Period once during your lifetime for Long Term Facility (LTF) Benefits. The days of care you receive benefits for Home Health and Community Care services count toward satisfying this Elimination Period.

You choose the Elimination Period to establish the required time that must be satisfied before benefits are payable. You may also choose a 30-day or 180-day Elimination Period for Long Term Facility Benefits.

Your Maximum Daily Benefit Amount to cover the daily expense of care is also available in any amount of \$5 increments ranging from \$50-300.

Lifetime Maximum Benefit Periods are available in either 3-year or 5-year periods. Once the Lifetime Maximum Benefit Amount is exhausted under the Policy (and the Spousal rider, if elected), coverage terminates.

\* Sample rates are calculated on the above ages at preferred rates. Your premium and amount of benefits may vary based upon your actual enrollment and the plan selected. See your Account Representative for a quote based on your age, and the age of your Spouse, if applicable.

\*\* Premium shown is for Primary Insured only. Couples discount only available if Spousal Rider is in force on your eligible Spouse. The additional Spousal Rider premium rates vary based on class and age of spouse.



# *Additional* Policy Features

## WAIVER OF PREMIUM

If you are continuously confined in a covered facility or have received Home Health/Community Care or Adult Day Care Services on a regular basis (15 days a month) for at least 90 days, the monthly premiums will be waived.

## RESTORATION OF BENEFITS

This provision restores benefits to the Lifetime Maximum Benefit Amount if a Licensed Health Care Practitioner confirms that the covered person has not been Chronically Ill, confined in a covered facility, or received Home Health/Community Care or Adult Day Care Services on a regular basis, for a period of 180 consecutive days.

## GUARANTEED RENEWABLE

The Policy is guaranteed renewable for as long as you live, provided you pay the required premiums to keep coverage in force. We cannot cancel or refuse this Policy's renewal or increase premiums due to age or health. However, premiums may change if based on your premium class, but only if we change premiums for all similar policies in your state of issue. We must give you at least forty-five (45) days written notice before we change your premiums.

## DESIGNATED ASSIGNEE

You have the right to designate someone else, who is to receive notice of lapse or termination of this Policy for the non-payment of premium. The notice of lapse or termination of this Policy will be sent to you and the person you designate, according to your application, thirty (30) days after a premium is due and unpaid.

# Qualification *Requirements*

You must meet the following qualifying requirements to be eligible for benefits:

## PLAN OF CARE

A written declared course of action provided by a Licensed Health Care Practitioner in regard to your care, including such items as cost, type and frequency of care, and providers.

## CHRONIC ILLNESS OR SEVERE COGNITIVE IMPAIRMENT

You must be Chronically Ill, making you unable to perform (without Substantial Assistance from another individual) at least TWO of the following Activities of Daily Living, expected to last for a period of at least 90 days:

- |              |                |
|--------------|----------------|
| ■ Continence | ■ Toileting    |
| ■ Bathing    | ■ Eating       |
| ■ Dressing   | ■ Transferring |

Or, you must require Substantial Supervision due to Severe Cognitive Impairment. This includes care for those who suffer from a limited intellectual capacity, such as that resulting from Alzheimer's disease and other forms of irreversible organic dementia.



# Optional Benefit *Riders*

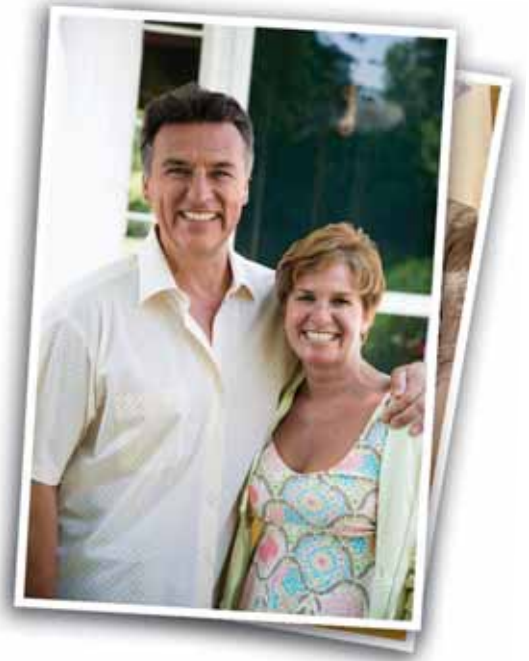
## SPOUSAL RIDER

It's hard to imagine yourself needing Long Term Care, but what if it was your spouse who suddenly required expensive attention due to an accident or illness. Where would you turn? Would you be physically and financially able to provide the quality care your spouse deserves?

Our Spousal Rider allows you to provide for both you and your spouse in a time of need. This Rider provides coverage for an eligible spouse with the same Policy provisions, Benefit Periods, Elimination Periods, Lifetime Maximum Benefit Amounts, and Maximum Daily Benefits as the base Policy.

*Spousal Rider features include:*

- **Married Discount** - Premiums for both you and your spouse will be at a discounted rate.
- **Shared Pool Benefit** - If you or your spouse use up all the benefit dollars available under the Lifetime Maximum Benefit Amount for either the Policy or Spousal Rider, this benefit allows you both to share the dollars in the remaining benefit pool.
- **Spousal Waiver of Premium** - If your spouse is continuously confined in a covered facility or has received Home Health/Community Care or Adult Day Care Services on a regular basis (15 days a month) for at least 90 days, the monthly premiums will be waived.
- **Single application** with a single signature.



## COUPLES ENHANCEMENT RIDER

If the Spousal Rider is elected, this rider offers a lifetime waiver of premium for the surviving spouse if either spouse should pass away. If coverage has been in effect for less than 10 years, the surviving spouse would only be required to pay their portion of all premiums until the 10th anniversary of this Rider.

## LIFETIME COMPOUND INFLATION PROTECTION RIDER

Your Maximum Daily Benefit Amount is automatically increased by five percent each Policy anniversary. Each annual increase is based on the Maximum Daily Benefit Amount in effect on the day before the increase.

## NONFORFEITURE BENEFIT RIDER

If you discontinue your premium payments after three consecutive years of payment, you may still be eligible to receive benefits from the plan. The Lifetime Maximum Benefit Amount will be reduced to either: a) 30 times the Maximum Daily Benefit Amount in effect at the time of lapse; or b) total premiums paid at the time of lapse, whichever is greater.

# Important Policy Provisions

## PRE-EXISTING CONDITION LIMITATION

A pre-existing condition is a condition for which medical advice or treatment was recommended by or received from a Physician within six months preceding the Policy Effective Date. Pre-existing conditions admitted on the application are covered immediately. Pre-existing conditions not listed on the application will not be covered until six months or more after the effective date of the policy. The issuance of this Long Term Care Insurance Policy is based upon your responses to the questions on your application. If your answers are incorrect or untrue, we may have the right to deny benefits or rescind your policy.

## EXCLUSIONS

We will not pay the benefits of this Policy for that portion of any expense which is:

- (1) caused by Mental or Nervous Disorder, without demonstrable organic disease (NOTE: ALZHEIMER'S DISEASE AND ANY OTHER ORGANIC BRAIN SYNDROMES ARE COVERED BY THIS POLICY AS ANY OTHER SICKNESS); or
- (2) caused by alcoholism or drug addiction; or
- (3) caused by illness, treatment or medical conditions arising out of:
  - (a) war or act of war (whether declared or undeclared); or
  - (b) participation in a felony, riot or insurrection; or
  - (c) service in the armed forces or units auxiliary thereto; or
  - (d) suicide (while sane or insane), attempted suicide or intentionally self-inflicted injury; or
- (4) for treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare (or benefits would be available under Medicare except for the applicable deductible or coinsurance requirements) or other governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; or
- (5) for services provided by a Family Member (unless approved under the Care Coordination Benefit); or
- (6) for services for which no charge is normally made in the absence of insurance; or
- (7) for care received outside of the United States or its territories.

## 30 DAY RIGHT TO EXAMINE

You have 30 days after you receive your Policy to return it to American Fidelity Assurance Company. If you return your Policy within 30 days from the date you received it, the Policy will be void as of the Effective Date and all premiums paid will be refunded.

## READ YOUR POLICY CAREFULLY

This brochure is not an insurance contract and only provides a very brief description of the important features of your coverage. Refer to your insurance policy for actual provisions of your plan.

## HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

Under Public Law 104-191 ruling, a percentage of premium for certain "tax-qualified" Long Term Care Plans may now be itemized as deductions for medical expenses, depending on age and adjusted gross income.

## COUPLES ENHANCEMENT RIDER LIMITATIONS

The benefits for the Couples Enhancement Benefit Rider only apply if:

- (1) both You and Your Spouse have coverage with Us under this Policy and the Spousal Rider; and
- (2) coverage for Your Spouse including the Couples Enhancement Benefit Rider must be continuously in effect from this Rider's Effective Date to the date of death; and
- (3) coverage for the surviving spouse under the Policy including this Rider must be continuously in effect from this Rider's Effective Date to the date benefits under this Rider are payable.

**American Fidelity Assurance Company is not providing tax advice. You should consult your tax advisor for advice regarding tax implications of this product or deductibility of premiums. This is not a Medicare Supplement Policy. This product is not eligible under Section 125.**



# The Company Behind Your Plan

American Fidelity Assurance Company is a third-generation, family-owned organization providing insurance products and financial services to education employees, trade association members and companies throughout the United States and across the globe.

Since 1982, American Fidelity has been rated “A+” (Superior)<sup>1</sup> by A.M. Best Company. Considered one of the nation’s leading insurance company rating services, A.M. Best bases its ratings on an analysis of the financial condition and operating performance of insurance companies in such vital areas as: Competency of Underwriting, Control of Expenses, Adequacy of Reserves, Soundness of Investments and Capital Sufficiency.

Because of American Fidelity’s fiscal strength and financial security, the company has been rated “A” (Excellent)<sup>2</sup> with TheStreet.com, Inc (formerly Weiss Ratings, Inc.). This places American Fidelity on the list of TheStreet.com’s Recommended Companies, an elite group of life, health and annuity companies. American Fidelity’s rating represents the top 2.8 percent of insurance companies.

The 2010 Standard and Poor’s Insurance Rating Report has given American Fidelity an “A+”<sup>3</sup> rating. The qualified solvency ratings assigned by S&P are based on the analysis of quantitative data such as Capital Strength, Quality of Assets, Profitability and Liquidity.

American Fidelity Assurance Company is proud to count itself among Fortune<sup>4</sup> magazine’s “100 Best Companies to Work For” in America for the seventh straight year. We know that satisfied employees result in satisfied customers, which is an important foundation of American Fidelity’s approach to business.

American Fidelity is founded on and driven by the principle of serving our customers and protecting their investment. We continue to grow steadily through calculated growth and conservative investment practices.

<sup>1</sup> *Best’s Insurance Reports: Life/Health, 2009 Edition, Vol. 1, July 15, 2009 (A+ is the 2nd out of 16 with 1 being the highest.)*

<sup>2</sup> *TheStreet.com Ratings’ Guide to Life and Annuity Insurers, Winter 2009 - 10 (A is the 2nd out of 16 with 1 being the highest.)*

<sup>3</sup> *www.standardandpoors.com February, 2010 (A+ is 6th out of 22 with 1 being the highest.)*

<sup>4</sup> *Fortune Magazine, February 8, 2010 Issue.*



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AMERICAN FIDELITY  
ASSURANCE COMPANY'S

# *Long Term Care* Insurance



Life on *Your* Terms

# Life on *Your* Terms

## What is Long Term Care?

Long Term Care insurance helps protect your financial independence should you ever be faced with a debilitating accident or develop a degenerative condition (stroke, Parkinson's Disease, etc.), a prolonged illness (cancer, lupus, etc.), or a cognitive disorder (Alzheimer's).

Long Term Care services provide support and individual assistance with the activities of daily living or supervision of someone who is cognitively impaired. The care can be provided in various settings including your own home, adult day care, assisted living facilities, nursing homes, or hospice care.

## Why Do You Need Long Term Care?

[ Medicare, Medicare Supplement insurance, and the health insurance you may have at work usually will not pay for long term care. ] The average cost of a private nursing home room in 2008 was \$204 a day, or \$74,460 annually,<sup>2</sup> it is probably beyond the ability of most families to provide for this type of care out of their own pockets.

### HOW WILL YOU PAY WHEN YOU NEED LONG TERM CARE?

- Nearly 1 out of every 5 people provides unpaid care for family or friends age 18 or over.<sup>3</sup>
- 92% of caregivers report making work-related adjustments, including going in late, leaving early, or giving it up entirely.<sup>3</sup>

American Fidelity Assurance Company's Long Term Care Plan can help reduce financial strains associated with Long Term Care.

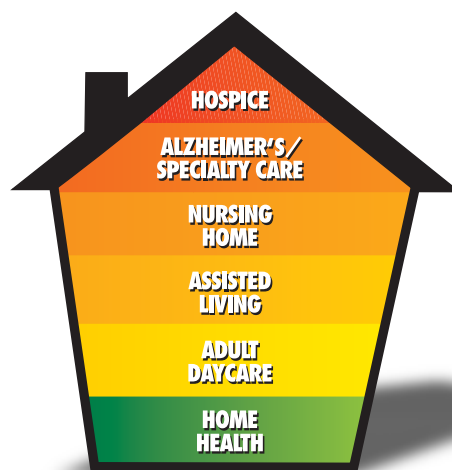
## Housing All Your Options

Just as every house needs a strong foundation in order to ensure safe and pleasurable living, American Fidelity's Long Term Care Plan provides a basis of Home Health support, plus several alternatives allowing for optimal flexibility.

Long Term Care benefits available include:

- **Home Health Care** that allows support at home from a Home Health Care Agency or a Licensed Health Care Practitioner in your home.
- **Adult Day Care** that allows you to remain at home yet attend a community facility to receive care as needed.
- **Assisted Living Facilities** that provide appropriate support while you maintain independence with control over day-to-day activities.
- **Nursing Home Care** that gives you 24-hour assistance, including a specialty care facility or Alzheimer's facility.
- **Hospice Care** that supplies needed attention during the final months to the terminally ill at home or in a Nursing Home Facility.

American Fidelity's Long Term Care Plan is designed to assist with different levels of care needed to face a Long Term Care event and since you own this policy, you can take it with you when you leave employment.



<sup>1</sup> National Association of Insurance Commissioners, *A Shopper's Guide to Long Term Care Insurance*, pg. 4, 2008

<sup>2</sup> LOMA Resource; Forecast 2009; January 2009

<sup>3</sup> AARP Public Policy Institute, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving Research Report*, 2007

# Summary of *Benefits*

## HOME HEALTH AND COMMUNITY CARE BENEFIT

We pay actual charges up to 20 times the Maximum Daily Benefit Amount per month for each month that services are provided by a Home Health Care Agency, a Licensed Health Care Practitioner in your home, and/or a community-based Adult Day Care Facility. **No elimination period applies to Home Health and Community Care Benefits.**

**For example:** Here is the maximum monthly benefit assuming a \$150 daily benefit amount.

DAILY BENEFIT AMOUNT		BENEFIT MULTIPLIER		MAXIMUM MONTHLY BENEFIT
\$150	X	20	=	\$3000

**Your benefit period will effectively be extended if your daily charges are less than your daily benefit.**

This money can even be used to provide assistance for:

- Activities of Daily Living such as bathing, eating, and dressing
- Medical Attention, including assistance with medication, IV's, and bandaging
- Homemaker/Companion Services like shopping, paying bills, and laundry

## LONG TERM FACILITY BENEFIT

For those requiring confinement in a Nursing Home Facility, Assisted Living Facility, Hospice Facility, Alzheimer's Facility, or Residential Care Facility, once the Elimination Period has been met, we pay actual charges up to the Maximum Daily Benefit Amount.

## CARE COORDINATION BENEFIT

When a Long Term Care event occurs, most people don't know where to start. By utilizing the optional care coordinator feature of this plan, you will have a valuable resource to assist you with designing a plan of care. You and your family will be assigned, at no cost to you, a health care professional qualified in assessing and coordinating your medical, personal, and social services. This allows you to make the best use of benefit dollars.

The Care Coordinator becomes a source for the latest treatment options, alternative care options, help with establishing a Plan of Care, and monitoring your quality of care. The Care Coordinator may approve additional services including:

- Benefits for services such as:
  - Home Modifications
  - Durable Medical Equipment
  - Other Services or Devices to meet Special Needs

Benefits paid will be up to a lifetime maximum of 100 times your Maximum Daily Benefit Amount.

- Homemaker/Companion services provided by family members (other than a spouse or a person living in your home).

## CAREGIVER TRAINING BENEFIT

We pay up to a lifetime maximum of \$500 for expenses incurred to furnish training for a family member on the methods necessary to provide care for you in your home. This benefit is not subject to the Elimination Period.



## BED RESERVATION BENEFIT

We pay actual charges up to the Maximum Daily Benefit Amount at a Long Term Care Facility to reserve your room should you require temporary hospitalization. Benefits will also be paid for up to seven days per absence if you wish to leave the facility to visit family. You receive up to 30 days of Bed Reservation Benefits per calendar year. The Elimination Period must be met before benefits will be available.

## RESPIRE CARE BENEFIT

We pay actual charges up to the Maximum Daily Benefit Amount for up to 21 days per calendar year to temporarily relieve an unpaid person providing you with care in your home. This benefit is not subject to the Elimination Period.

# Your Benefits, *Your Choices*

You preserve your future by making important decisions to tailor your plan to serve your needs. We offer a variety of options to meet those needs.

INDIVIDUAL SAMPLE PLAN OPTIONS				
AGE	BASE POLICY	BASIC	ENHANCED	ENHANCED PLUS
45	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$23.99</b>	<b>\$38.97</b>	<b>\$58.46</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$17.99</b>	<b>\$29.23</b>	<b>\$43.85</b>
50	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$25.29</b>	<b>\$41.04</b>	<b>\$61.56</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$18.97</b>	<b>\$30.78</b>	<b>\$46.17</b>
55	MAXIMUM DAILY BENEFIT	\$75	\$100	\$150
	ELIMINATION PERIOD	0 day HHC/90 day LTF	0 day HHC/90 day LTF	0 day HHC/90 day LTF
	LIFETIME MAXIMUM BENEFIT PERIOD	3 Year	5 Year	5 Year
	INDIVIDUAL MONTHLY PREMIUM*	<b>\$43.96</b>	<b>\$72.45</b>	<b>\$108.68</b>
	INDIVIDUAL WITH COUPLES DISCOUNT**	<b>\$32.97</b>	<b>\$54.34</b>	<b>\$81.51</b>

There is no Elimination Period (0-day) that applies to Home Health and Community Care (HHC) Benefits. There is a 90-day Elimination Period once during your lifetime for Long Term Facility (LTF) Benefits. The days of care you receive benefits for Home Health and Community Care services count toward satisfying this Elimination Period.

You choose the Elimination Period to establish the required time that must be satisfied before benefits are payable. You may also choose a 30-day or 180-day Elimination Period for Long Term Facility Benefits.

Your Maximum Daily Benefit Amount to cover the daily expense of care is also available in any amount of \$5 increments ranging from \$50-300.

Lifetime Maximum Benefit Periods are available in either 3-year or 5-year periods. Once the Lifetime Maximum Benefit Amount is exhausted under the Policy (and the Spousal rider, if elected), coverage terminates.

\* Sample rates are calculated on the above ages at preferred rates. Your premium and amount of benefits may vary based upon your actual enrollment and the plan selected. See your Account Representative for a quote based on your age, and the age of your Spouse, if applicable.

\*\* Premium shown is for Primary Insured only. Couples discount only available if Spousal Rider is in force on your eligible Spouse. The additional Spousal Rider premium rates vary based on class and age of spouse.



# *Additional* Policy Features

## WAIVER OF PREMIUM

If you are continuously confined in a covered facility or have received Home Health/Community Care or Adult Day Care Services on a regular basis (15 days a month) for at least 90 days, the monthly premiums will be waived.

## RESTORATION OF BENEFITS

This provision restores benefits to the Lifetime Maximum Benefit Amount if a Licensed Health Care Practitioner confirms that the covered person has not been Chronically Ill, confined in a covered facility, or received Home Health/Community Care or Adult Day Care Services on a regular basis, for a period of 180 consecutive days.

## GUARANTEED RENEWABLE

The Policy is guaranteed renewable for as long as you live, provided you pay the required premiums to keep coverage in force. We cannot cancel or refuse this Policy's renewal or increase premiums due to age or health. However, premiums may change if based on your premium class, but only if we change premiums for all similar policies in your state of issue. We must give you at least forty-five (45) days written notice before we change your premiums.

## DESIGNATED ASSIGNEE

You have the right to designate someone else, who is to receive notice of lapse or termination of this Policy for the non-payment of premium. The notice of lapse or termination of this Policy will be sent to you and the person you designate, according to your application, thirty (30) days after a premium is due and unpaid.

# Qualification *Requirements*

You must meet the following qualifying requirements to be eligible for benefits:

## PLAN OF CARE

A written declared course of action provided by a Licensed Health Care Practitioner in regard to your care, including such items as cost, type and frequency of care, and providers.

## CHRONIC ILLNESS OR SEVERE COGNITIVE IMPAIRMENT

You must be Chronically Ill, making you unable to perform (without Substantial Assistance from another individual) at least TWO of the following Activities of Daily Living, expected to last for a period of at least 90 days:

- |              |                |
|--------------|----------------|
| ■ Continence | ■ Toileting    |
| ■ Bathing    | ■ Eating       |
| ■ Dressing   | ■ Transferring |

Or, you must require Substantial Supervision due to Severe Cognitive Impairment. This includes care for those who suffer from a limited intellectual capacity, such as that resulting from Alzheimer's disease and other forms of irreversible organic dementia.



# Optional Benefit *Riders*

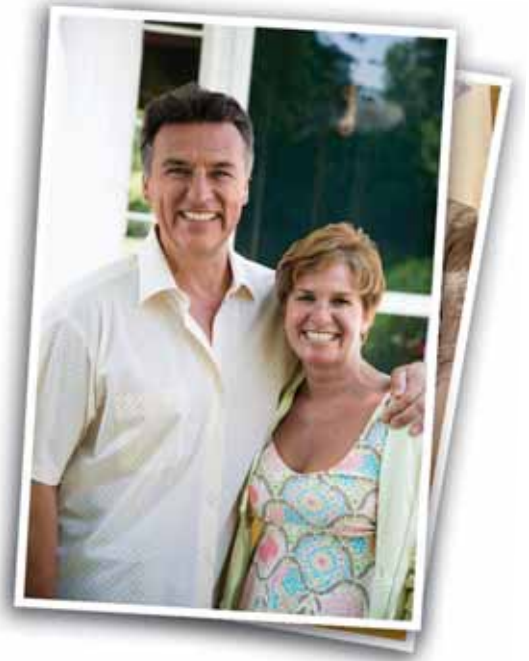
## SPOUSAL RIDER

It's hard to imagine yourself needing Long Term Care, but what if it was your spouse who suddenly required expensive attention due to an accident or illness. Where would you turn? Would you be physically and financially able to provide the quality care your spouse deserves?

Our Spousal Rider allows you to provide for both you and your spouse in a time of need. This Rider provides coverage for an eligible spouse with the same Policy provisions, Benefit Periods, Elimination Periods, Lifetime Maximum Benefit Amounts, and Maximum Daily Benefits as the base Policy.

*Spousal Rider features include:*

- **Married Discount** - Premiums for both you and your spouse will be at a discounted rate.
- **Shared Pool Benefit** - If you or your spouse use up all the benefit dollars available under the Lifetime Maximum Benefit Amount for either the Policy or Spousal Rider, this benefit allows you both to share the dollars in the remaining benefit pool.
- **Spousal Waiver of Premium** - If your spouse is continuously confined in a covered facility or has received Home Health/Community Care or Adult Day Care Services on a regular basis (15 days a month) for at least 90 days, the monthly premiums will be waived.
- **Single application** with a single signature.



## COUPLES ENHANCEMENT RIDER

If the Spousal Rider is elected, this rider offers a lifetime waiver of premium for the surviving spouse if either spouse should pass away. If coverage has been in effect for less than 10 years, the surviving spouse would only be required to pay their portion of all premiums until the 10th anniversary of this Rider.

## LIFETIME COMPOUND INFLATION PROTECTION RIDER

Your Maximum Daily Benefit Amount is automatically increased by five percent each Policy anniversary. Each annual increase is based on the Maximum Daily Benefit Amount in effect on the day before the increase.

## NONFORFEITURE BENEFIT RIDER

If you discontinue your premium payments after three consecutive years of payment, you may still be eligible to receive benefits from the plan. The Lifetime Maximum Benefit Amount will be reduced to either: a) 30 times the Maximum Daily Benefit Amount in effect at the time of lapse; or b) total premiums paid at the time of lapse, whichever is greater.

# Important Policy Provisions

## PRE-EXISTING CONDITION LIMITATION

A pre-existing condition is a condition for which medical advice or treatment was recommended by or received from a Physician within six months preceding the Policy Effective Date. Pre-existing conditions admitted on the application are covered immediately. Pre-existing conditions not listed on the application will not be covered until six months or more after the effective date of the policy. The issuance of this Long Term Care Insurance Policy is based upon your responses to the questions on your application. If your answers are incorrect or untrue, we may have the right to deny benefits or rescind your policy.

## EXCLUSIONS

We will not pay the benefits of this Policy for that portion of any expense which is:

- (1) caused by Mental or Nervous Disorder, without demonstrable organic disease (NOTE: ALZHEIMER'S DISEASE AND ANY OTHER ORGANIC BRAIN SYNDROMES ARE COVERED BY THIS POLICY AS ANY OTHER SICKNESS); or
- (2) caused by alcoholism or drug addiction; or
- (3) caused by illness, treatment or medical conditions arising out of:
  - (a) war or act of war (whether declared or undeclared); or
  - (b) participation in a felony, riot or insurrection; or
  - (c) service in the armed forces or units auxiliary thereto; or
  - (d) suicide (while sane or insane), attempted suicide or intentionally self-inflicted injury; or
- (4) for treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare (or benefits would be available under Medicare except for the applicable deductible or coinsurance requirements) or other governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; or
- (5) for services provided by a Family Member (unless approved under the Care Coordination Benefit); or
- (6) for services for which no charge is normally made in the absence of insurance; or
- (7) for care received outside of the United States or its territories.

## 30 DAY RIGHT TO EXAMINE

You have 30 days after you receive your Policy to return it to American Fidelity Assurance Company. If you return your Policy within 30 days from the date you received it, the Policy will be void as of the Effective Date and all premiums paid will be refunded.

## READ YOUR POLICY CAREFULLY

This brochure is not an insurance contract and only provides a very brief description of the important features of your coverage. Refer to your insurance policy for actual provisions of your plan.

## HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

Under Public Law 104-191 ruling, a percentage of premium for certain "tax-qualified" Long Term Care Plans may now be itemized as deductions for medical expenses, depending on age and adjusted gross income.

## COUPLES ENHANCEMENT RIDER LIMITATIONS

The benefits for the Couples Enhancement Benefit Rider only apply if:

- (1) both You and Your Spouse have coverage with Us under this Policy and the Spousal Rider; and
- (2) coverage for Your Spouse including the Couples Enhancement Benefit Rider must be continuously in effect from this Rider's Effective Date to the date of death; and
- (3) coverage for the surviving spouse under the Policy including this Rider must be continuously in effect from this Rider's Effective Date to the date benefits under this Rider are payable.

**American Fidelity Assurance Company is not providing tax advice. You should consult your tax advisor for advice regarding tax implications of this product or deductibility of premiums. This is not a Medicare Supplement Policy. This product is not eligible under Section 125.**



# The Company Behind Your Plan

American Fidelity Assurance Company is a third-generation, family-owned organization providing insurance products and financial services to education employees, trade association members and companies throughout the United States and across the globe.

Since 1982, American Fidelity has been rated “A+” (Superior)<sup>1</sup> by A.M. Best Company. Considered one of the nation’s leading insurance company rating services, A.M. Best bases its ratings on an analysis of the financial condition and operating performance of insurance companies in such vital areas as: Competency of Underwriting, Control of Expenses, Adequacy of Reserves, Soundness of Investments and Capital Sufficiency.

Because of American Fidelity’s fiscal strength and financial security, the company has been rated “A” (Excellent)<sup>2</sup> with TheStreet.com, Inc (formerly Weiss Ratings, Inc.). This places American Fidelity on the list of TheStreet.com’s Recommended Companies, an elite group of life, health and annuity companies. American Fidelity’s rating represents the top 2.8 percent of insurance companies.

The 2010 Standard and Poor’s Insurance Rating Report has given American Fidelity an “A+”<sup>3</sup> rating. The qualified solvency ratings assigned by S&P are based on the analysis of quantitative data such as Capital Strength, Quality of Assets, Profitability and Liquidity.

American Fidelity Assurance Company is proud to count itself among Fortune<sup>4</sup> magazine’s “100 Best Companies to Work For” in America for the seventh straight year. We know that satisfied employees result in satisfied customers, which is an important foundation of American Fidelity’s approach to business.

American Fidelity is founded on and driven by the principle of serving our customers and protecting their investment. We continue to grow steadily through calculated growth and conservative investment practices.

<sup>1</sup> *Best’s Insurance Reports: Life/Health, 2009 Edition, Vol. 1, July 15, 2009 (A+ is the 2nd out of 16 with 1 being the highest.)*

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Filing Fee		
<b>Comments:</b>		
Filing fee attached through filing fee tab as required.		